

2015

Salary & Economic Survey



2251 Tower Drive West
Stillwater, MN 55082
tel 651.439.1554
fax 651.439.1564
www.readexresearch.com

CONTENTS

Purpose.....	1
Method.....	3
About Readex	5
Findings	
Compensation.....	8
Benefits.....	24
About Their Employers	32
About Their Work	48
About Their Educational Debt	82
Opinions of the Legal Profession	88
Personal Profile	92
Data Tables	
Appendix	

The findings cited in this report are based on a survey sponsored by the Iowa State Bar Association (ISBA).

PURPOSE

Through the use of an online survey representing the ISBA's emailable active attorney members (excluding members residing outside of Iowa and those holding a retirement certificate), the primary goals of this research project were to:

- ◆ better understand the demographics of the ISBA membership
- ◆ document general trends in attorneys' economic compensation
- ◆ understand how attorneys' compensation (e.g., salary, benefits) is impacted by various factors (e.g., gender, age, race/ethnicity, years in practice)
- ◆ collect thorough, accurate information on the economic realities associated with the career field to share with potential future attorneys (e.g., law school debt, opinions of the field)
- ◆ create a point of reference for future economic surveys of the ISBA membership

METHOD

The survey sample of 5,688 represented emailable active attorney members of the ISBA, excluding members residing outside of Iowa and/or those holding a retirement certificate. The sample represented 70% of the ISBA's entire membership of 8,108 at the time of sample selection.

Data was collected via online survey from April 22 to May 5, 2015. The survey was closed for tabulation with 928 usable responses—a 16% response rate. To best represent the audience of interest, results from the 850 respondents who indicated on the first survey question that they are currently employed as attorneys in Iowa were tabulated for analysis in this report. As with any research, the results should be interpreted with the potential of non-response bias in mind. It is unknown how those who responded to the survey may be different from those who did not respond. In general, the higher the response rate, the lower the probability of estimation errors due to non-response and thus, the more stable the results.

The margin of error for percentages based on 850 tabulated responses is ± 3.1 percentage points at the 95% confidence level. The margin of error for percentages based on smaller sample sizes will be larger.

(Please refer to the Appendix for details of the survey method.)

ABOUT READEX

Readex Research is a nationally recognized independent research company located in Stillwater, Minnesota. Its roots are in survey research for the magazine publishing industry, but specialization in conducting high-quality survey research (by mail and/or the Internet) has brought clients from many other markets, including associations, corporate marketers and communicators, and government agencies. Since its founding in 1947, Readex has completed thousands of surveys for a lengthy and diverse list of clients.

As a full-service survey research supplier, Readex provides in-house processing of all phases of each project (traditional mailing, broadcast emailing, and data processing) to ensure complete control over project quality and schedule. Analytical capabilities include a range of multivariate statistics and modeling techniques, in addition to the more traditional stub-and-banner tabulations.

This survey was conducted and this report was prepared by Readex in accordance with accepted research standards and practices.

FINDINGS

Employment Status

Of the 928 individuals who responded to the survey, 850 (or 92% of the total number of respondents) are currently employed as attorneys in Iowa. Tabulated for analysis in this report, they are hereafter referred to as “Iowa attorneys.” The remaining individuals (those who indicated on the first survey question that they are retired, unemployed, employed as an attorney outside of Iowa, or employed as something other than an attorney) did not participate in the remainder of the survey.

Employment Status: All Respondents	
full-time	87%
part-time	5%
retired	1%
unemployed	1%
employed as an attorney outside of Iowa	3%
employed, but not as an attorney	4%

base: all 928 respondents

Did not participate in the remainder of the survey

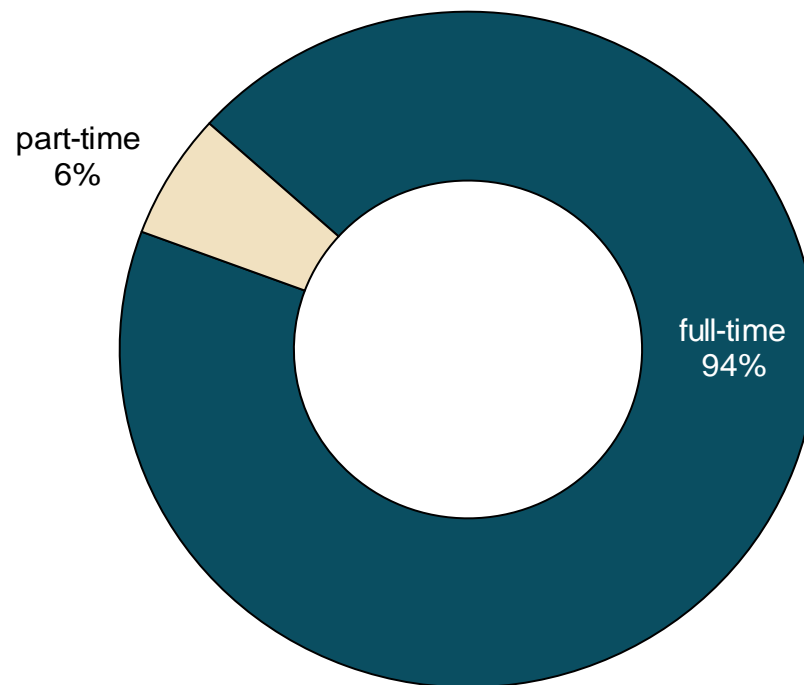
Of the 850 tabulated Iowa attorneys, 94% are employed full time.

Employment Status
(Among Attorneys Practicing in Iowa)

What best describes your current employment status as an attorney in Iowa?

FINDINGS

Compensation



base: 850 attorneys practicing in Iowa

Typical Hourly Rate and Percentage Charged on a Contingency-Fee Basis

The median hourly rate typically charged by Iowa attorneys at private law practices is \$199. As could be expected, the median hourly rate tends to correlate positively with license tenure. Those at private law practices who have been licensed to practice law for fewer than 5 years typically charge an hourly rate of \$170; the typical hourly rate rises to \$225 among those who have been licensed for 40 years or more.

By primary practice area, the highest median hourly rate typically charged, at \$222, is found in those whose primary practice area is in plaintiff litigation/civil; the median drops to \$179 among those primarily practicing in defense litigation/civil.

The typical Iowa attorney at a private law practice who charges on a contingency-fee basis charges 35% in that way. 42% do not charge on a contingency-fee basis.

Percentage Charged on a Contingency-Fee Basis	
40% or more	2%
33% - 39%	35%
25% - 32%	12%
less than 25%	9%
mean	33.8%
median	35%
do not charge on a contingency-fee basis*	42%

base: 653 attorneys at private law practices in Iowa

*Excluded from mean and median calculations.

Typical Hourly Rate by Number of Years Licensed and Primary Practice Area

What is your typical hourly rate?

FINDINGS

About Their Work

		NUMBER OF YEARS LICENSED						
	TOTAL	<5	5 - 9	10 - 14	15 - 19	20 - 29	30 - 39	40+
median hourly rate	\$199	\$170	\$193	\$208	\$211	\$221	\$218	\$225
		PRIMARY PRACTICE AREA						
	TOTAL	litigation/ civil: defense	criminal/ OWI/ traffic	general practice	family/ juvenile	real estate	estate planning/ probate	litigation/ civil: plaintiff
median hourly rate	\$199	\$179	\$180	\$191	\$200	\$203	\$209	\$222

= \$180 - \$199
 = \$200 - \$219
 = \$220+

base: 653 attorneys at private law practices in Iowa; those in each segment

Iowa State Bar Association

2015 Salary & Economic Survey

Banner 1 of 3: Number of Years Licensed and Population of Community

Table	Title
040	Proportion Who Initiate Discussion of Fees With Clients
041	Frequency of Time Discussion of Fees Occurs During First Interview
042	Frequency of Time Providing Written Verification of Fees/Plans for Payment
043	Average Billable Hours Produced Daily
044	Interval Used to Track Time Spent on Billable Hours
045	Frequency of Billing Clients
046	Proportion of Fees Failed to Collect
047	Actions Taken When Fees Are Not Paid in Due Course
048	Minimum Number of Annual Billable Hours Expected/Required
049	Minimum Number of Annual Billable Hours Expected/Required Among Those Who Have a Minimum Requirement
050	Average Hourly Overhead Expense Per Attorney
051	Percentage of Gross Revenues Spent on Overhead
052	Change in Demand for Paid Billable Legal Services in Community
053	Expected Change in Demand for Paid Billable Legal Services in Community
054	Base Salary
055	Change in Base Salary
056	Cash Compensation Eligible to Receive
057	Value of Other Cash Compensation
058	Value of Other Cash Compensation Among Those Who Received Other Cash Compensation
059	Total Compensation
060	Satisfaction With Total Compensation
061	Percentage of Income Derived From Court Appointed Juvenile/Indigent Defense Cases
062	Percentage of Income Derived From Court Appointed Juvenile/Indigent Defense Cases Among Those Who Accept These Cases
063	Other Amenities/Benefits Offered
064	ISBA Dues Payer
065	Number of Bar Association Dues That Would Be Paid
066	Retirement Plan Contributions Made
067	Holidays Observed
068	Number of Vacation Days Planning to Take
069	Educational Debt Held
070	Educational Debt Held Among Those Who Had Educational Debt at Graduation
071	Percentage of Debt Remaining
072	Monthly Payment on Debt
073	Years Left on Debt
074	Years Left on Debt Among Those Who Have Debt
075	Debt's Influence on Legal Career
076	Opinion of Lawyer Disciplinary System
077	Change in Image of Attorneys in Public's Eye
078	Change in Professionalism Among Attorneys
079	Proportion Who Would Pursue a Legal Profession Again

DATA TABLES

Index to Tables

Iowa State Bar Association

2015 Salary & Economic Survey

Banner 1 of 3: Number of Years Licensed and Population of Community

Table	Title
080	Opinions of Legal Work: Agree Summary
081	Opinions of Legal Work: Disagree Summary
082	Opinions of Legal Work: Mean Summary
083	Opinions of Legal Work: Iowa Attorneys Have More Legal Work Than They Can Handle
084	Opinions of Legal Work: I Personally Have More Legal Work Than I Can Handle
085	Age
086	Gender
087	Ethnicity

DATA TABLES

Index to Tables

© 2015 Readex Research

DATA TABLES

Data Interpretation

In addition to percentages, three summary statistics may be presented in this report for numeric variables.

A **mean** is the arithmetic average of a distribution (i.e., a set of values). Because it is arithmetically calculated, it can be multiplied by the population represented to present a total volume estimate. For example, if 100 survey respondents (representing 10,000 people in the population) reported mean expenditures of \$100 each, total expenditures for that population are estimated as $10,000 \times \$100 = \$1,000,000$. Means are very much influenced by extremely large or extremely small values in the distribution (e.g., one millionaire can substantially raise an estimate of average income).

Means for grouped data are calculated using the midpoint of each range. The lowest-valued group is represented by its largest value; the highest-valued group by its lowest.

The **standard error** measures the variability associated with the survey's estimate of a population mean. The standard error is analogous to the margin of error associated with percentages: that is, 95% of the time we expect the true (unknown) population mean to be within plus-or-minus two standard errors of the mean calculated from the sample. A standard error that is large in proportion to the mean indicates a high level of statistical instability; trending and projections against such estimates should be undertaken cautiously.

A **median** is the value that lies at the middle of a distribution: that is, 50% of the values are above it and 50% are below. It represents the "typical" response, and is not influenced by extreme values. For most distributions, the median will be either roughly equal to, or significantly smaller than the mean.

Medians for grouped data are calculated by locating the group which contains the 50th percentile, then interpolating between the lower and upper bounds to estimate the precise value. Only the values listed *above* the statistics on a data table are used in the calculations.

Tables may have **statistical significance testing** enabled, comparing means and proportions between selected columns. Z-scores for differences are calculated where both tabulation bases are ≥ 30 , assuming the statistics are derived from sufficiently large unweighted probability samples drawn from much larger independent populations. Differences found significant at the 95% confidence level are reported by appearance of one or more letters under the result, indicating from which tested column(s) to the left that statistic differs (if any).

When assumptions are met, significance testing accounts for the effect of sampling error on comparisons; if all assumptions are not met, the reader is advised to use test results cautiously. If results have been unit weighted, the statistical testing should be viewed only as a general guideline to highlighting potential differences. Effects of other potential sources of imprecision (nonresponse bias, item reliability, respondent error, etc.) are not similarly quantifiable, and may be of greater magnitude than sampling error.

Iowa State Bar Association

2015 Salary & Economic Survey

Banner 1 of 3: Number of Years Licensed and Population of Community

TABLE 029 page 1

Typical Hourly Rate

22. What is your typical hourly rate?

	TOTAL	-----NUMBER OF YEARS LICENSED-----							-----POPULATION OF COMMUNITY-----					
		< 5	5 - 9	10 - 14	15 - 19	20 - 29	30 - 39	40+	< 4,000	4,000 - 6,999	7,000 - 24,999	25,000 - 59,999	60,000 - 99,999	100,000+
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
base: those at private law practices in Iowa	653 100%	156 100%	91 100%	58 100%	42 100%	99 100%	138 100%	66 100%	68 100%	50 100%	89 100%	50 100%	83 100%	310 100%
\$350 or more	14 2%	0 0%	0 0%	1 2%	1 2%	4 4% b	4 3% b	4 6% bc	0 0%	0 0%	0 0%	0 0%	1 1%	13 4% k
\$325 - \$349	12 2%	0 0%	0 0%	1 2%	2 5% bc	0 0% e	6 4% bcf	3 5% bcf	0 0%	0 0%	0 0%	0 0%	1 1%	11 4%
\$300 - \$324	18 3%	0 0%	0 0%	2 3% b	2 5% bc	4 4% b	6 4% bc	4 6% bc	0 0%	0 0%	0 0%	0 0%	2 2%	16 5% k
\$275 - \$299	21 3%	0 0%	1 1%	2 3% b	1 2%	6 6% b	10 7% bc	1 2%	1 1%	1 2%	1 1%	0 0%	0 0%	18 6% m
\$250 - \$274	64 10%	6 4%	1 1%	5 9% c	5 12% bc	16 16% bc	16 12% bc	14 21% bc	1 1%	1 2%	6 7%	10 20% ijk	12 14% ij	34 11% ij
\$225 - \$249	57 9%	4 3%	7 8%	7 12% b	3 7%	15 15% b	15 11% b	6 9% b	4 6%	7 14%	8 9%	4 8%	5 6%	29 9%
\$200 - \$224	124 19%	20 13%	26 29% b	16 28% b	11 26% b	14 14% cd	30 22% b	7 11% cde	9 13%	13 26%	23 26%	11 22%	19 23%	49 16% k
\$175 - \$199	140 21%	35 22%	28 31%	11 19%	7 17%	17 17% c	24 17% c	16 24%	20 29%	13 26%	26 29%	10 20%	14 17%	55 18% ik
\$150 - \$174	113 17%	58 37%	15 16% b	8 14% b	1 2% bcd	14 14% be	12 9% b	5 8% b	19 28%	11 22%	11 12% i	9 18%	16 19%	47 15% i
\$125 - \$149	51 8%	24 15%	6 7% b	4 7%	4 10%	3 3% b	7 5% b	3 5% b	10 15%	1 2% i	8 9%	4 8%	7 8%	20 6% i
\$95 - \$124	13 2%	6 4%	1 1%	0 0%	2 5%	1 1%	1 1%	2 3%	3 4%	0 0%	6 7%	1 2%	1 1%	2 1% ik
less than \$95	4 1%	0 0%	1 1%	0 0%	1 2%	1 1%	1 1%	0 0%	0 0%	1 2%	0 0%	0 0%	2 2%	1 0%
mean:	\$207	\$175	\$191 b	\$214 bc	\$216 bc	\$223 bc	\$227 bc	\$230 bc	\$178	\$197 i	\$192 i	\$202 i	\$202 i	\$223 ijklm
standard error:	\$2.11	\$2.65	\$3.45	\$6.43	\$9.93	\$5.55	\$4.91	\$7.69	\$4.27	\$4.95	\$4.22	\$5.98	\$5.70	\$3.48
median:	\$199	\$170	\$193	\$208	\$211	\$221	\$218	\$225	\$176	\$197	\$194	\$200	\$200	\$211

Columns tested at 95% significance level: bcdefgh ijklmn

Iowa State Bar Association

2015 Salary & Economic Survey

Banner 1 of 3: Number of Years Licensed and Population of Community

TABLE 029 page 2

Typical Hourly Rate

22. What is your typical hourly rate?

	TOTAL	-----NUMBER OF YEARS LICENSED-----							-----POPULATION OF COMMUNITY-----					
		< 5	5 - 9	10 - 14	15 - 19	20 - 29	30 - 39	40+	< 4,000	4,000 - 6,999	7,000 - 24,999	25,000 - 59,999	60,000 - 99,999	100,000+
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
base: those at private law practices in Iowa	653 100%	156 100%	91 100%	58 100%	42 100%	99 100%	138 100%	66 100%	68 100%	50 100%	89 100%	50 100%	83 100%	310 100%
does not apply—do not charge on an hourly basis	21 3%	3 2%	5 5%	1 2%	2 5%	4 4%	5 4%	1 2%	1 1%	2 4%	0 0%	1 2%	3 4%	14 5% k
no answer	1 0%	0 0%	0 0%	0 0%	0 0%	0 0%	1 1%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	1 0%